

AGENDA

North Dakota Racing Commission
Live Meeting
500 N 9th St, Bismarck, ND
Wednesday, May 21, 2003
1:00 p.m.

1. Approval of Minutes for April 30, 2003
2. ORDA Race Dates
(Steward's Authority to Grant Variances)
3. ORDA Request for Purse & Promotion Funds
4. Director's Compensation Package
5. Hiring of Randy Blaseg for June
6. Denver Lab Visit
7. Other Matters Which May Come Before the Commission

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If you plan to attend the meeting and will need special facilities or assistance relating to a disability, please contact the Racing Commission at 701-328-4633.

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North Dakota Racing Commission
Live Meeting
Wednesday, May 21, 2003
1:00 p.m.

PRESENT:

Chair Commissioner Ann Mahoney, Commissioners Dr. Charlie Stoltenow (by telephone), James Arthaud (by telephone), James Boehm, and Howard W. Wrigley, Director of Racing Paul Bowlinger, Counsel Bill Peterson, Auditor Roger Thompson, and Administrative Assistant Kelly Boespflug

OTHERS PRESENT:

Nancy Bayer, NDQHRA/NDTBA
Janell Cole, The Fargo Forum
Leon Glasser, NDQHRA
Les Schmidt, Horse Race ND
Glen Thompson

The meeting was called to order at 1:15 p.m. by Chair Commissioner Mahoney. The roll call was taken by Executive Director Bowlinger.

Commissioner Stoltenow	-	Here
Commissioner Arthaud	-	Here
Commissioner Wrigley	-	Here
Commissioner Boehm	-	Here
Chair Mahoney	-	Here

AGENDA ITEM #1
Approval of Minutes of April 30, 2003

Commissioner Boehm moved to approve the minutes from the April 30, 2003, meeting.
Commissioner Wrigley seconded the motion.

Executive Director Bowlinger called the roll as follows:

Commissioner Boehm	-	Yes
Commissioner Wrigley	-	Yes
Commissioner Arthaud	-	Yes
Commissioner Stoltenow	-	Yes
Chair Mahoney	-	Yes

The motion carried unanimously.

**AGENDA ITEM #2
ORDA Race Dates**

Chair Mahoney stated the Commission received a letter from ORDA requesting three race dates.

Commissioner Wrigley moved to grant Chippewa Downs the race dates of June 15, June 21, and June 22, 2003. Commissioner Stoltenow seconded the motion.

Executive Director Bowlinger called the roll as follows:

Commissioner Stoltenow	-	Yes
Commissioner Arthaud	-	Yes
Commissioner Wrigley	-	Yes
Commissioner Boehm	-	Yes
Chair Mahoney	-	Yes

The motion carried unanimously.

Variances

Chair Mahoney, in connection with this agenda item, asked Executive Director Bowlinger to give a summary of what the Director is recommending to the Commission as far as handling the variances that typically come from Chippewa Downs in the running of their races.

Executive Director Bowlinger stated that, operating under the assumption since the passage of the legislation the Commission would be approving these dates; he investigated how best to handle the regulation with Counsel Bill Peterson. They tried to find the most efficacious way to handle this. Typically we grant variances and approvals from the Racing Commission prior to a race meet. However, because this meet is three days and it's rather impromptu, the only way we felt that they would have the ability to run this meet in June, and through conversations with Doug DeMontigny, was that each variance would not be able to go through the Commission. The best way to handle this is for ORDA to hire the steward, and the Commission will appoint one steward to be the chief steward. The Commission would grant the authority to the steward to grant variances and approvals for the Commission on the race site in the best interest of racing.

Commissioner Stoltenow moved to allow Executive Director Bowlinger to appoint the steward and for the steward to have authority to grant variances and approvals in the best interest of racing. Commissioner Boehm seconded the motion.

Executive Director Bowlinger called the roll as follows:

Commissioner Wrigley	-	Yes
Commissioner Stoltenow	-	Yes
Commissioner Boehm	-	Yes
Commissioner Arthaud	-	Yes
Chair Mahoney	-	Yes

The motion carried unanimously.

Licenses

Executive Director Bowlinger stated the law requires the Commission to issue a license to operate under the pari-mutuel system, which the Racing Commission has done. Executive Director Bowlinger and Counsel Peterson have come to the conclusion that in order to let Chippewa Downs run, to not interfere by requiring all the licenses of each of the individual jockeys, etc., because the expense would be prohibitive for them, the timing would be almost impossible for the Commission to make before June, and the Commission doesn't want to license people unless the Commission has done a full background check. The steward would make sure everybody is abiding by the rules.

Counsel Bill Peterson stated the Commission can correctly do this pursuant to 69.5-01-02-01(2) of the Administrative Rules. The Commission can waive or modify any rule, and if the rules require the Commission to license participants, officials, and employees, the Commission can waive that rule for the race meet at Belcourt in 2003.

Executive Director Paul Bowlinger stated the motion would only be for this meet. A problem the Commission would run into is if we license in Belcourt, would those licenses be good for Fargo. Since the law permits it, this would be the best way to handle it, having the Racing Commission approve the waiver of individual licenses for the Belcourt meet for 2003.

Chair Mahoney stated the steward would exercise some supervisory authority over that area of the race meet. Executive Director Bowlinger agreed by saying the steward has complete authority to disqualify horses, etc. There are all sorts of rules they will still have to follow, which will give the steward the same authority; he just won't be able to take away a license.

Counsel Peterson stated the rules of the Conduct of Races would be followed except those that are necessary to be waived. All the participants, employees, and officials will have to follow those rules. The steward just doesn't have the power to take away a license.

Executive Director stated the Commission would have the power under the report of the steward to deny them any further licenses in Fargo or anywhere else. If we license without doing a full background check, without having the starter there to approve horses without having a steward there to give the trainer's test, we'd be granting a license to people that we don't know if they are capable of being licensed, then they would have a license, and we'd have to take disciplinary action to take away the license that maybe should not have been properly granted.

Commissioner Wrigley moved to grant a waiver of individual licenses for the three-day race meet at Chippewa Downs in 2003. Commissioner Boehm seconded the motion.

Discussion held.

Executive Director Bowlinger called the roll as follows:

Commissioner Boehm	-	Yes
Commissioner Wrigley	-	Yes
Commissioner Arthaud	-	Yes
Commissioner Stoltenow	-	Yes
Chair Mahoney	-	Yes

The motion carried unanimously.

AGENDA ITEM #3
ORDA Request for Purse & Promotion Funds

Chair Mahoney stated in the same letter where Chippewa Downs requested the race dates, they also requested \$20,000 from promotion fund and \$10,000 from the purse fund for use in purses at their three days of racing.

Executive Director Bowlinger stated he has been informed by Doug DeMontigny that if ORDA doesn't receive this amount, they won't be able to run. If monies are granted, Doug DeMontigny is under the understanding, as in previous years, ORDA would be responsible for hiring and paying for the vet, the steward, the drug testing, and making sure the jockey insurance is in place.

Chair Mahoney stated the \$20,000 would be received upfront, but they would need to provide the Commission with the expenditures.

Commissioner Wrigley moved to grant ORDA's request as per their letter dated May 8, 2003, \$20,000 from the promotion fund in that ORDA agrees, by accepting these funds, that they will hire and pay for the veterinarian, the steward, drug testing, tote services, photo-finish, jockey insurance, etc., and \$10,000 from the purse fund. Commissioner Boehm seconded the motion.

Discussion held.

Executive Director Bowlinger called the roll as follows:

Commissioner Boehm	-	Yes
Commissioner Wrigley	-	Yes
Commissioner Stoltenow	-	Yes
Commissioner Arthaud	-	Yes
Chair Mahoney	-	Yes

The motion carried unanimously.

AGENDA ITEM #4
Director's Compensation Package

Chair Mahoney stated there is a request from Executive Director Bowlinger for an increase in his compensation. Commissioner Wrigley has submitted a suggested compensation proposal of \$4,790 a month retroactive to January 1, 2003, with the Chair approving monthly timesheets and leave slips either in writing or electronically.

Commissioner Wrigley moved to approve Executive Director's Compensation package of \$4,790 a month retroactive to January 1, 2003, with the Chair approving monthly timesheets and leave slips either in writing or electronically. Commissioner Stoltenow seconded the motion.

Chair Mahoney and Commissioner Boehm informed the raise was justified because of the additional workload of the Fargo racetrack and the complicated simulcast issues.

Executive Director Bowlinger called the roll as follows:

Commissioner Boehm	-	Yes
Commissioner Wrigley	-	Yes
Commissioner Stoltenow	-	Yes
Commissioner Arthaud	-	Yes
Chair Mahoney	-	Yes

The motion carried unanimously.

AGENDA ITEM #5 Hiring of Randy Blaseg for June

Chair Mahoney stated Randy Blaseg has been the steward at Chippewa Downs for the past five years.

Executive Director Bowlinger stated he would like to hire Randy Blaseg for the last two weeks of June. Executive Director Bowlinger stated the completion of the track is in June, and there will be regulatory issues. The contract amount would be for \$2,500, which would include all of Randy Blaseg's expenses.

Commissioner Stoltenow moved to hire Randy Blaseg from June 15 to the end of the June 2003, in the amount of \$2,500 on contract basis out of the Racing Commission's operating budget. Commissioner Wrigley seconded the motion.

Discussion held.

Executive Director Bowlinger called the roll as follows:

Commissioner Stoltenow	-	Yes
Commissioner Arthaud	-	Yes
Commissioner Boehm	-	Yes
Commissioner Wrigley	-	Yes
Chair Mahoney	-	Yes

The motion carried unanimously.

AGENDA ITEM #6 Denver Lab Visit

Executive Director Bowlinger stated the Commission's rules permit two substances, but there have been many new drugs that have been popping up. Executive Director Bowlinger has never visited the lab that the Commission uses in Denver, Industrial Labs. There are a lot of issues that Executive Director Bowlinger would like to have resolved before we start racing for the kind of money that we're going to start racing for. He asked the Commission to approve a trip to Industrial Laboratories for him and Commissioner Stoltenow to go through the procedures

that they use and any recommendations on the samples to see if there are any issues the Commission needs to cover.

Commissioner Stoltenow stated these matters will come before the Commission, and the Commission is going to have to understand thoroughly how the process is, the chain of evidence, and those types of issues because the Commission will be asked to make decisions.

More discussion held.

Commissioner Wrigley moved to approve sending Executive Director Bowlinger and Commissioner Stoltenow to Industrial Laboratories from the Commission's operating budget. Commissioner Boehm seconded the motion.

More discussion held.

Executive Director Bowlinger called the roll as follows:

Commissioner Wrigley	-	Yes
Commissioner Boehm	-	Yes
Commissioner Stoltenow	-	Yes
Commissioner Arthaud	-	Yes
Chair Mahoney	-	Yes

The motion carried unanimously.

AGENDA ITEM #7 Other Matters Which May Come Before the Commission

Chair Mahoney recognized that last week there was a fax that came through from Fair Circuit Horse Racing Association requesting that the Commission grant FCHRA \$74,950 for 100 portable stalls. Apparently NDSU ran short in building the barn, so they could not put in the stalls that they had anticipated.

Commissioner Wrigley moved to approve the FCHRA's request for \$74,950 to buy 100 portable stalls. Commissioner Arthaud seconded the motion.

Les Schmidt stated there will be a demand for more than 400 stalls to put on their race meet. Due to an overrun on NDSU's barns, they haven't been able to come up with the permanent stalls, although they have come up with some rental stalls. Mr. Schmidt stated they were able to procure this bid, which is the most reasonable and better quality of the two bids that they had received. The stalls would be set up by August 1. These stalls would be used in the new barns. By having portable stalls in the new barns, they can be disassembled, be placed in one place, and have a storage shed for equipment without having to build another equipment building immediately.

Chair Mahoney asked what the terms are for renting the stalls from South Dakota. Mr. Schmidt stated \$5.00 per stall. Fair Circuit Horse Racing Association would own the stalls. He stated eventually when they get the six barns that they need, probably four of the barns will be filled with permanent stalls.

Executive Director Bowlinger stated the first barn could then be used to shelter the equipment with the portable stalls out of there. Mr. Schmidt stated the ideal scenario would be if they could get a request for three barns, one barn would be built with permanent stalls, with wash bays, bathrooms, etc., and then the two barns on either side would be open-stall barns to be used for storage of equipment.

Executive Director Bowlinger inquired of Mr. Schmidt if this request is coming from the FCHRA, and he responded, yes.

Executive Director Bowlinger asked if Mr. Schmidt would still anticipate asking for an equipment shed in the next few years or would this take care of that. Mr. Schmidt stated this could probably take care of the equipment shed.

Glen Thompson stated once there is an open-type building for a barn, then they could delay the equipment shed for a few years.

Commissioner Wrigley stated at these prices, it looks like in two years you own something that would have been thrown away for rent.

Executive Director Bowlinger called the roll as follows:

Commissioner Wrigley	-	Yes
Commissioner Stoltenow	-	Yes
Commissioner Arthaud	-	Yes
Commissioner Boehm	-	Yes
Chair Mahoney	-	Yes

The motion carried unanimously.

Les Schmidt stated he received a call Monday evening from the North Dakota Trotters and Pacers Association requesting to apply for races in Fargo. It would be held at the end of Fargo's meet, which would be the last two weekends in September.

Executive Director Bowlinger asked Mr. Schmidt to find out what would need to be done to the track to make it suitable and find out what the cost would be. The ND Trotters and Pacers' live race dates were tabled in November.

Mr. Schmidt stated he would assemble a list of costs to put on the race meet and present it to the Commission.

Chair Mahoney adjourned the meeting at 2:00